

OFFICIAL FILE

STATE OF ILLINOIS

ORIGINAL

ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION

BAHL WATER COMPANY

Petition for Approval Of Affiliate
Agreement

)
)
)
)
)
Docket

05-0248

VERIFIED APPLICATION

Bahl Water Company, pursuant to Section 7-101 of the Illinois Public Utilities Act (the "Act", hereby seeks approval for the affiliate agreement between Bahl and Jaeger Plumbing & Pump, Inc.

In support of this Verified Application, the Applicant states as follows:

AFFILIATE AGREEMENT

Between

BAHL WATER CORP and JAEGER PLUMBING & PUMP, INC.

Agreement dated March 1, 2005 between Bahl Water Company, an Iowa corporation, (hereinafter "Bahl") and Jaeger Plumbing & Pump, Inc., an Iowa corporation (hereinafter "Jaeger")

The background of this Agreement is:

1. Bahl is an affiliate of Jaeger
2. Bahl has been organized for and is presently engaged in the business of providing water service as a public utility in the State of Illinois.
3. Because Bahl is of the opinion that it cannot obtain the same quality services on a comparable economic basis elsewhere, it proposes to enter into an agreement with Jaeger.
4. The services to be rendered under this agreement are to be rendered by Jaeger to Bahl at their cost to Jaeger, as hereinafter provided.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, Bahl and Jaeger agree that:

ARTICLE 1

SERVICES TO BE PROVIDED

1.1 During the term of this agreement and upon the terms and conditions hereinafter set forth, Jaeger shall furnish and Bahl shall purchase from Jaeger the following services: administrative, accounting, clerical, secretarial, financial, engineering, human resources, information systems, and operation. Without limitation, services to be provided by Jaeger shall be rendered as follows:

- A. Administrative: Jaeger shall make qualified employees available to perform or assist in the performance of Bahl's corporate duties.
- B. Secretarial/Clerical: Jaeger shall maintain documents of Bahl, such as contracts, deeds, and other corporate records as necessary.
- C. Engineering: Jaeger will supply engineering services as required in all areas of design, construction, operation and management of Bahl.
- D. Accounting: Jaeger shall provide total accounting service including bookkeeping, payroll, tax return preparation, financial statement preparation, budgets, credit, preparation of financial reports required for regulatory bodies and stockholders.
- E. Information Systems: Jaeger shall provide the necessary computer equipment and software.
- F. Operation: Jaeger will provide the necessary labor to maintain the water system.
- G. Water Quality: Jaeger will assist Bahl in assuring quality water is delivered to all of Bahl's customers

ARTICLE II PAYMENT FOR SERVICES

2.1 In consideration for the services to be rendered to Bahl as hereinabove provided, Bahl agrees to pay to Jaeger the cost, not to exceed the fully distributed cost thereof, determined as provided in Article II and Article III.

2.2 All costs of the Jaeger, including salaries and other expenses, incurred in connection with services rendered by the Jaeger for Bahl, which can be specifically identified and related to services rendered to Bahl, shall be charged directly to Bahl.

ARTICLE III ALLOWANCE FOR OVERHEAD

3.1 In determining the cost to be assessed by Jaeger for rendering of services to Bahl as herein provided, there shall be added to the salaries of all officers and employees for whose services charges are to be made, a percentage sufficient to cover the general overhead of the Jaeger, as defined below, properly allocable thereto. No general overhead of Jaeger shall be added to costs incurred for services of non-affiliated consultants employed by Jaeger.

3.2 The term "general overhead" shall include;

- (a) portion of salaries not directly chargeable of Jaeger employees determined on basis of hours worked for Bahl;
- (b) portion of payroll burden (SSA, medical insurance, SUTA, FUTA, Workmen's Compensation, and payroll processing) paid for the benefit of Jaeger employees;
- (c) taxes; and
- (d) rent, and depreciation on building.

ARTICLE IV BILLING PROCEDURES AN BOOKS AND RECORDS

4.1 As soon as practicable after the last day of each month, Jaeger shall render a bill to Bahl for all amounts due from Bahl for services and expenses for such month calculated pursuant to Articles II and III. Such bills shall be in sufficient detail to show separately the

charge for each class of service rendered. All amounts so billed shall be paid by Bahl within a reasonable time after receipt of the bill therefore.

4.2 Jaeger agrees to keep its books and records available at all times for inspection by representatives of Bahl or by regulatory bodies having jurisdiction over Bahl.

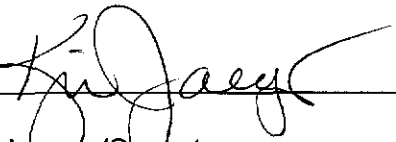
4.3 Jaeger shall at any time, upon request of Bahl, furnish any and all information required by Bahl with respect to the services rendered by Jaeger, hereunder, the costs thereof.

ARTICLE V TERM OF AGREEMENT

5.1 This agreement shall become effective as of the later of (a) the date first mentioned above or (b) the date the parties receive the last of any necessary approvals of governmental regulatory agencies having jurisdiction in the premises. Upon becoming effective, this agreement shall be the sole agreement between the parties concerning the subject matter hereof and shall supercede all prior agreements, written or oral. This agreement shall continue in full force and effect until terminated by either of the parties giving the other party hereto ninety day's notice in writing.

Bahl Water Company _____

Jaeger Plumbing & Pump

By: 
Kim Jaeger/Secretary

By: 
Thomas Jaeger/President

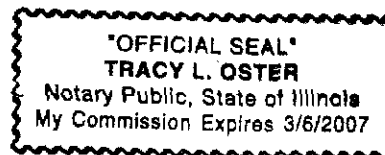
VERIFICATION

I, Thomas Jaeger, certify that: (i) I am President of Jaeger Plumbing & Pump, Inc.; (ii) I have read the attached Verified Application; (iii) I am familiar with the facts stated therein; and (iv) that the facts stated therein are true and correct to the best of my knowledge.


Name
Title

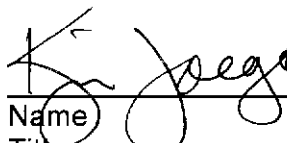
SUBSCRIBED and SWORN to before me
this 5th day of April, 2005.


NOTARY PUBLIC



VERIFICATION

I, Kim Jaeger, certify that: (i) I am Secretary/Treasurer of Bahl Water Company; (ii) I have read the attached Verified Application; (iii) I am familiar with the facts stated therein; and (iv) that the facts stated therein are true and correct to the best of my knowledge.



Name
Title

SUBSCRIBED and SWORN to before me
this 5th day of March , 2005.



NOTARY PUBLIC

